

Message Text

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ACTION OES-07

INFO OCT-01 AF-10 ARA-10 EA-10 EUR-12 NEA-11 ISO-00
ACDA-12 CIAE-00 INR-10 IO-13 L-03 NSAE-00 NSC-05
EB-08 NRC-05 SOE-02 DODE-00 SS-15 SP-02 CEQ-01
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FM AMEMBASSY VIENNA
TO SECSTATE WASHDC 6813
INFO USDOEHQ WASHDC
USDOEHQ GERMANTOWN
AMEMBASSY BRUSSELS

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USIAEA, USEEC

DEPT PASS IO/SCT, OES/NET
DOE PASS AMMONS, IA

E.O. 11652: N/A
TAGS: PARM, TECH, IAEA, EEC
SUBJECT: IAEA BOARD OF GOVERNORS MEETING. ITEM 9 (A);
EURATOM/IAEA NEGOTIATIONS

REF: (A) VIENNA 4742, (B) VIENNA 3805

SUMMARY: DG REPORTED THAT EURATOM AND IAEA HAD NOT RPT
NOT YET BEEN ABLE TO REACH AGREEMENT ON THE THREE
FACILITY ATTACHMENTS (FA'S) THEY HAD PLANNED TO COMPLETE
BY JUNE 6 AND THAT INTENSIVE NEGOTIATIONS ON THESE
PLANTS HAD LEFT VERY LITTLE TIME FOR DISCUSSIONS ON
THE REMAINING FACILITIES (SEE REF A). HE WAS PREPARED
TO AGREE TO FURTHER 100 DAYS EXTENSION OF NEGOTIATING
TIME, WITH WRITTEN PROGRESS REPORT TO BE MADE LATE
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JULY. BOARD MEMBERS EXPRESSED DISAPPOINTMENT
BUT AGREED TO EXTENSION, RESERVING RIGHT TO CALL
SPECIAL BOARD MEETING IF WRITTEN REPORT DID NOT
REFLECT SUFFICIENT PROGRESS. END SUMMARY.
1. IN LIGHT OF POINTED REMARKS MADE BY FRG AT APRIL 21ST
SPECIAL BOARD MEETING, DIRECTOR GENERAL'S STATEMENT
(COPY BEING POUCHED TO NOSENZO, OES/NET) INCLUDED

STATUS OF NEGOTIATIONS ON FACILITY ATTACHMENTS, NOT ONLY WITH EURATOM BUT ALSO WITH UK, JAPAN AND CANADA.

2. DG'S REMARKS WERE BLUNT. HE POINTED OUT THAT ON MAY 22 HE HAD PERSONALLY RECEIVED TOP LEVEL EC ASSURANCES THAT EVERY EFFORT WOULD BE MADE TO COMPLETE FA'S FOR 3 FACILITIES OF PARA 3 (A) OF GOV/1902 BY JUNE 6, AND THAT BY END OF JULY NEGOTIATIONS WOULD BE CONCLUDED FOR ALL FACILITIES LISTED IN PARA 3 (B) OF GOV/1902 EXCEPT THE ENRICHMENT PLANT. HOWEVER, AS OF JUNE 6, NONE RPT NONE OF THE 3 FA'S WERE COMPLETED AND LITTLE PROGRESS HAD BEEN MADE ON THE PARA 3 (B) FACILITIES. HE ADDED THAT, WHEREAS EURATOM HEADQUARTERS HAD INFORMED HIM THAT NEGOTIATIONS FOR THE HIGHLY ENRICHED URANIUM FABRICATION (HEU) PLANT FA WERE COMPLETE, THE "GOVERNMENT CONCERNED" (FRG) TOLD HIM THAT IT STILL HAD SUBSTANTIAL RESERVATIONS ABOUT THE FA AND THUS "WE (IAEA) ARE FINDING OURSELVES IN A SOMEWHAT CONFUSING SITUATION".

3. FYI. MISSION UNDERSTANDS FROM DISCUSSIONS WITH IAEA STAFF THAT PROBLEM WITH COMPLETING FA FOR EUREX REPROCESSING PLANT IS BASICALLY A MATTER OF ITALIAN GOVERNMENTAL FORMALITIES. HOWEVER, BELGIAN GOVERNMENT REFUSAL TO AGREE WITH DESIGNATION OF TWO MBA'S (MATERIAL BALANCE AREAS) (A STORAGE MBA AND A PROCESS MBA) AT MIXED PLUTONIUM URANIUM OXIDE (MOX) FABRICATION LIMITED OFFICIAL USE

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PLANT HAS BLOCKED AGREEMENT ON THAT FA. REQUIREMENT FOR BOTH STORAGE AND PROCESS MBA IS A STANDARD AND IMPORTANT IAEA PROCEDURE, ESPECIALLY IN SUCH A FACILITY WHERE LARGE QUANTITIES OF PU WILL BE IN STORAGE AND PROCESS LINE. WE UNDERSTAND MOX FACILITY OPERATOR COULD AGREE TO DESIGNATION OF TWO MBA'S BUT GOB REFUSES, INSISTING ENTIRE PLANT BE CONSIDERED AS ONLY ONE MBA. FOR HEU FABRICATION PLANT, FRG GOVERNMENT OFFICIALS ARE OPPOSED TO GRANTING ACCESS IAEA FEELS IT NEEDS TO HEU INVENTORY AT PLANT, WHEREAS EURATOM SAFEGUARDS AND PLANT OFFICIALS WERE WILLING TO GRANT THAT ACCESS. END FYI.

4. DIR GEN REPORTED FINALIZATION OF ARRANGEMENTS FOR THE JOINT IAEA/EURATOM INSPECTION TEAMS (PARA 3 (D) GOV/1902). HE AGREED TO INFORM BOARD MEMBERS IN WRITING AT END OF JULY ABOUT STATUS OF NEGOTIATIONS SO BOARD COULD DECIDE WHETHER OR NOT TO CONVENE SPECIAL MEETING ON MATTER. DIR GEN WAS PREPARED ACCEPT PROPOSAL FOR FURTHER 100 DAY EXTENSION (I.E. UNTIL SEPTEMBER BOARD MEETING).

5. RE JAPAN, DIR GEN REPORTED SECOND 90 DAY EXTENSION (WHICH STARTED ON FIRST OF JUNE) AND THAT AGENCY

RESOURCES ARE BEING FOCUSED ON COMPLETION OF EURATOM NEGOTIATIONS WHICH HAS DELAYING EFFECT ON NEGOTIATIONS WITH GOJ. GOOD PROGRESS WAS REPORTED ON SEVERAL FACILITIES. DIFFICULTIES WERE REPORTED ON FA NEGOTIATIONS FOR A MOX FABRICATION PLANT, REPROCESSING PLANT AND FAST CRITICAL ASSEMBLY; PRIMARILY INVOLVING QUESTION OF EXTENT OF IAEA ACCESS.

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6. RE UNITED KINGDOM, DIR GEN EXPECTED SAFEGUARDS AGREEMENT WOULD ENTER INTO FORCE IN JULY. PROGRESS IS UNDERWAY ON FA'S FOR PROTOTYPE FAST BREEDER AND ASSOCIATED REPROCESSING PLANT. UK HAS ASSURED THAT IAEA AND EURATOM WILL HAVE "FULL ACCESS" TO ALL NECESSARY STRATEGIC POINTS AND PROCESS DATA.

7. RE CANADA, DIR GEN REPORTED "DELAYS" IN CONCLUDING FA'S FOR TWO RELATIVELY NEW FACILITIES; A HEAVY WATER MODERATED NUCLEAR POWER PLANT AND A NATURAL URANIUM FUEL FABRICATION PLANT. THE DIFFICULTIES INVOLVE THE AMOUNT OF INSTRUMENTAL SURVEILLANCE OR INSPECTION INTENSITY WHICH WILL BE REQUIRED.

8. U.S. STATEMENT BRIEFLY SUPPORTED DG POSITION AND
RECOGNIZED DIFFICULTY OF NEGOTIATIONS AND NEED FOR
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IAEA BE ABLE APPLY INDEPENDENT EFFECTIVE SAFEGUARDS.
COPY OF U.S. STATEMENT BEING POUCHED TO OES/NET AND
IO/SCT.

9. SEVERAL GOVERNORS EXPRESSED APPRECIATION THAT DIR
GEN BECOMING DIRECTLY INVOLVED IN THIS ISSUE. MOST
EXPRESSED DISAPPOINTMENT IN LACK OF PROGRESS ON FA'S.

10. USSR MADE CALM BUT STRONG STATEMENT BLAMING EC
FOR LACK OF MORE RAPID PROGRESS, MUCH ALONG LINES OF
STATEMENT AT APRIL 21ST SPECIAL BOARD MEETING REPORTED
REF B PARA 6. THEY INSISTED THAT IAEA NOT BE DENIED
THE RIGHT, AS NECESSARY, TO (A) IMPLEMENT CONTINUOUS
INSPECTIONS (B) HAVE ACCESS NOT ONLY TO KEY MEASURE-
MENT POINTS AT BORDERS OF MBA'S, BUT ALSO TO STRATEGIC
POINTS INSIDE MBA'S, AND (C) VERIFY INVENTORIES.

11. FRG, SPEAKING FOR EC, THANKED DIR GEN FOR
REPORTING STATUS OF FA NEGOTIATIONS OTHER THAN EC'S.
FRG DEL MADE QUITE CAUSTIC REBUTTAL TO SOV DEL
ACCUSATION OF EC POOT-DRAGGING BY POINTING OUT THAT
USSR HAS NO EXPERIENCE IN BEING ON RECEIVING END OF
FA NEGOTIATIONS AND THUS HAS NO BASIS TO POINT
FINGER AT EC. HE CHARACTERIZED SOV CONTRIBUTION
TO SAFEGUARDS AS AN OVER-ABUNDANCE OF INSPECTORS AND
FINANCIAL INPUT AT A REDUCED RATE OF ASSESSMENT.

12. BELGIAN DEL DEFENDED GOB POSITION ON MOX FA,
CLAIMING THAT GOB IS CONCERNED ABOUT LEGALITY OF
IAEA PROPOSALS VIS-A-VIS SAFEGUARDS AGREEMENT PRO-
VISION (ARTICLE 5C) FOR SAFEGUARDS TO BE CONSISTENT
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WITH ECONOMIC AND SAFE CONDUCT OF NUCLEAR ACTIVITIES.
HE EXPRESSED CONCERN ABOUT SAFEGUARDS OPERATIONS
STRANGLING BELGIAN NUCLEAR INDUSTRY (SEE PARA 3 ABOVE).
HE NOTED GOB COULD AGREE TO TOUGHER SAFEGUARDS IF ALL
COUNTRIES WERE SUBJECT TO SAME SAFEGUARDS.

13. DISCUSSION ENDED WITH SOV DEL WHIMPER THAT IT

WAS NOT AN ACT OF GOOD WILL FOR INSINUATIONS TO BE
MADE ABOUT USSR, WHEN EVERYONE KNEW THAT NPT DID
NOT REQUIRE NUCLEAR WEAPONS STATES TO ACCEPT IAEA
SAFEGUARDS. KIRK

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